

Meet in the Middle

Aspects of Potential Merger between the Early Learning Coalitions of SLC & IRMO

Based on the perspective of the
Early Learning Coalition of St. Lucie County's Management Team
January 26, 2017

***Numbers in this presentation are estimations based on limited information.**

*The above sentence in red was added after the presentation.

Steps Taken

1. Executive Committees from both boards met on 12/14/16
 1. Both management teams were given the directive to work together to determine if a merger is a viable option for both boards to consider.
 2. The Executive Committee of ELCIRMO set a target date of 02/28/17 to make a determination of pursuing a merger or initiating a CEO search.
2. Management teams from both ELCs met on 12/20/16.
3. Peer Department Directors meetings/discussions were held from after the joint meeting thru mid-January
4. ELCSLC attended ELCIRMO Provider Meetings
5. ELCSLC CEO met with ELCIRMO's management team on 01/18/17
6. ELCIRMO's management team internally determined little to no benefit to ELCIRMO would be gained and cancelled the joint management teams follow up meeting scheduled for 01/20/17.

ELCIRMO memo dated 01/20/17 to the Executive Committee from the Interim CEO

ELCIRMO concerns

- ▶ Losing small community identity
- ▶ Maintaining cohesiveness and melding cultures together

ELCSLC responses

- ▶ We are located in an identifiable region of the state, The Treasure Coast or Research Coast and Okeechobee. We believe that will improve our identity and show cohesiveness within our region, while working hard to address the individual focuses of each county.
- ▶ With a positive attitude and communication, along with a forward thinking approach, this challenging task can be easily accomplished.

ELCIRMO memo (cont.)

ELCIRMO concerns

- ▶ Cost of setting up a new organization
- ▶ Potential decrease in benefit to providers

ELCSLC responses

- ▶ The long-term cost savings will out-weigh the initial cost of merging. And, those potential future savings will never be recognized if a merger does not take place.
- ▶ Benefit to the providers would increase: Infant Mental Health/Trauma Informed Care pilot with Tykes & Teens, SLC Inclusion Committee, Provider Training Initiatives: STEM, Baby STEM, with technical support and materials, Annual Early Childhood Conference, Early Childhood Committee, One Contract, Consistencies in Policies/Procedures, additional training courses available, plus the other initiatives that IRMO has to offer providers of SLC.

ELCIRMO memo (cont.)

ELCIRMO concerns

- ▶ Client mobility
 - ▶ VPK - non issue with online enrollment

- ▶ School Readiness redeterminations

ELCSLC responses

- ▶ VPK: While the use of the portal makes enrollment a non-issue, reenrollments/transfers have yet to be implemented. A parent who wishes to transfer from IRMO to SLC must first contact IRMO and have their application released. The parent must then come to SLC to complete a reenrollment packet. SLC must then contact IRMO to obtain the number of VPK hours used in order to issue the parent a new certificate for the remaining hours.
- ▶ SR: When a parent applies for SR services via the portal in IRMO and then transfers to SLC, the parent must contact IRMO and have them inactivate their application. The parent must then complete a new application for SLC.

ELCIRMO memo (cont.)

ELCIRMO concerns

- ▶ Providers:
 - ▶ SR: 6 contracts
 - ▶ SR: 12 children/7 families
 - ▶ VPK: ??
 - ▶ Online contracts
 - ▶ Provider rates are much lower in SLC
- ▶ Gold Seal at 18%

ELCSLC responses

- ▶ Providers:
 - ▶ SR: 12 contracts with 16 locations
 - ▶ SR: 90 children/60 families
 - ▶ VPK: 18 children IRMO counties
 - ▶ OEL Provider Portal
 - ▶ Provider rates are separate by county, there is **NOT** one flat provider rate for all of IRMO's counties, non issue
 - ▶ Gold Seal at 15%, we would consider increasing our rate to 18%

ELCIRMO memo (cont.)

ELCIRMO concerns

- ▶ Operationally - no efficiencies
- ▶ Staff - no increase in overall benefits, with potential for a decrease

ELCSLC responses

- ▶ We had not finished discussions
- ▶ We had not finished discussions

Employee Benefits Comparison

based on a merged coalition

ELCIRMO

- ▶ Insurances:
 - ▶ Health - 100% paid by ELC
 - ▶ $\$617.47 \times 47 \times 12 = \$348,253$
 - ▶ Dental - 100% paid by ELC
 - ▶ $\$12.72 \times 47 \times 12 = \$7,174$
 - ▶ Vision - not offered
 - ▶ Life & AD&D- not offered
 - ▶ AFLAC - Yes, employee paid
 - ▶ Total Expense: **\$355,427**

ELCSLC

- ▶ Insurances:
 - ▶ Health - 100% paid by ELC
 - ▶ $\$566.32 \times 47 \times 12 = \$319,404$
 - ▶ Dental - 100% paid by ELC
 - ▶ $\$36.71 \times 47 \times 12 = \$20,704$
 - ▶ Vision - 100% paid by ELC
 - ▶ $\$7.72 \times 47 \times 12 = \$4,354$
 - ▶ Life & AD&D - 100% paid by ELC
 - ▶ $\$568.40 \times 12 = \$6,821$
 - ▶ Employees can purchase additional insurance through payroll deduction
 - ▶ AFLAC - Yes, employee paid
 - ▶ Total Expense: **\$351,283**

Employee Benefits Comparison (cont.)

based on a merged coalition

ELCIRMO

- ▶ Retirement:
 - ▶ 401(k)
 - ▶ 100% employer funded
 - ▶ Contribution of 5% of salary
 - ▶ Expense: \$101,000
 - ▶ 457 Plan
 - ▶ 100% employer match on the first 2% of salary.
 - ▶ Expense: \$40,500
 - ▶ **Maximum expense: \$141,500**

ELCSLC

- ▶ Retirement:
 - ▶ 403(b)
 - ▶ 50% employer match on the first 6% of salary.
 - ▶ **Maximum expense: \$61,000**

Employee Benefits Comparison (cont.)

based on a merged coalition

ELCIRMO

- ▶ Time Off
 - ▶ Paid Time Off
 - ▶ Can carry over up to 120 hours
 - ▶ Payout of unused accrued time
- ▶ Office hours/flexible schedule
 - ▶ M-Th - 7:30AM to 5:30PM
 - ▶ Fridays - 4 hour day, closed by 2:00PM
- ▶ Unfinished conversations on above areas

ELCSLC

- ▶ Time Off
 - ▶ Vacation
 - ▶ No carry over
 - ▶ Payout of unused accrued time
 - ▶ Sick
 - ▶ Can carry over up to 240 hours
 - ▶ No payout of unused accrued time
- ▶ Office hours
 - ▶ M-F - 7:00AM to 6:00PM
- ▶ Unfinished conversations on above areas

Employee Related Potential Cost Savings

- ▶ Salary, benefits & travel expenses from 2 CEOs to 1 \$ 93,000
- ▶ Reduction by one team member \$ 40,000
- ▶ Sub Total \$133,000
 - ▶ Approx. 44 additional children served
- ▶ Reduction of management team from 8 to 4 \$272,000
 - ▶ Approx. 90 additional children served
- ▶ Difference in benefit packages
 - ▶ Savings from taking SLC benefits vs IRMOs \$ 84,644
 - ▶ Approx. 28 additional children served
 - ▶ Savings from a blended benefits package \$ 42,379
 - ▶ Approx. 14 additional children served
- ▶ Potential total dollar savings is approx. **\$175,379 to \$489,644**
- ▶ Potential additional children served is approx. 58 to 162

Other Potential Cost Savings

▶ Local mileage reduced by 25%	\$ 4,200
▶ Communications	\$ 6,000
▶ Information Technology	\$25,000
▶ Reduction of lease space in Martin County	<u>\$45,000</u>
▶ Total:	\$80,200
▶ Potential additional children served is approx. 26	

Initial Limited Analysis of Potential Cost Savings

- ▶ Total potential dollars saved:
 - ▶ \$255,579 to \$569,844
- ▶ Potential additional children served is approximately
 - ▶ 82 to 186

Efficiencies

- ▶ **Fraud restitution:**
 - ▶ Notified that we will be awarded approx. \$75,000 this fiscal year for fraud dollars collected.
 - ▶ Since fraud dollars have been given back to the ELCs, SLC has received over \$300,000 back into our budget.
 - ▶ SLC has submitted 289 cases totaling over \$1.1MM
 - ▶ SLC has 88 active cases with DFS, IRMO has 11
- ▶ **Information Technology**
 - ▶ Skype for Business
 - ▶ SharePoint
 - ▶ Phone system
 - ▶ Microsoft licensing
- ▶ **With increased size of the combined coalitions, we will have greater bargaining power with vendors**
- ▶ **Program Advertising dollars would go further**

Strong Community Partnerships

- ▶ Referral processes
 - ▶ CareerSource
 - ▶ Devereux
- ▶ Inclusion Committee
- ▶ Infant Mental Health/Trauma Informed Care: Tykes & Teens Pilot Program
- ▶ Jump Start Literacy: BBBS, Parent Academy, CSCSLC, FPHA, SLCDOH
- ▶ Pediatric Oral Health: HANDS/United Way of SLC
- ▶ SR Health Screenings: SLCDOH
- ▶ Early Head Start Community Partnership Grant
- ▶ Roundtable of SLC
- ▶ Safe Kids
- ▶ Healthy Start
- ▶ St. Lucie Reads
- ▶ St Lucie County School District
- ▶ MAPP class training by Devereux
- ▶ IRC: Moonshot Moments/Kindergarten Readiness Collaborative/Early Childhood Partnerships

Benefits to Clients

- ▶ One united ELC of the Treasure Coast and Okeechobee (TC&O)
- ▶ One application for SR
- ▶ One application for VPK
- ▶ Transfers within the TC&O would be seamless
- ▶ Continuity of eligibility policies and procedures
- ▶ Office hours on Friday afternoons
- ▶ Convenience of using any office in the four county area